

# **Proposed Beaulieu to Denny 400kv Steel Tower Double Circuit Overhead Transmission Line**

**Public Inquiry – Stirling Session**

**Summary Precognition**

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**Tourism and Economic Impact**

**On Behalf of Objector – Stirling Before Pylons**

*Old Strevline, thou stand'st beauteous on the height  
Amid thy peaceful vales of every dye  
Amid bewildered waves of silvery light  
That maze the mind and toil the raptured eye  
Thy distant mountains spiring to the sky  
Seem blended with the mansions of the blest.*

*The Ettrick Shepherd*

## **1. INTRODUCTION**

1.1 My name is James Fraser and I am a Senior Associate with the Market Specialists tourism consultancy firm. I have 30 years experience of working at a strategic level in the tourist industry, including 23 years in the Stirling area in senior roles with Area Tourist Boards and Visit Scotland.

## **2. SCOPE OF EVIDENCE**

2.1 In my more detailed precognition I cover the following:

- national, regional and local tourism trends, prospects for growth and the importance of tourism to the economy of the Stirling area and the Hillfoots;
- the significance of tourism and economic activity at specific sites within close proximity of the proposed transmission line and the importance of their landscape setting to their continuing success;
- the impact of their proposals on the touristic appeal of the area and the quality of the visitor experience which is characterised by iconic heritage attractions in a stunning and unique environmental setting;
- the potential tourism related economic and other impacts of the transmission line proposals;
- the lack of a comprehensive cost benefit analysis; and
- the opportunity which exists for the applicants to be 'a good neighbour' and make a positive contribution to Stirling's outstanding skyline by removing the existing 132 kv power line and undergrounding the proposed new 400 kv transmission line along a route to the west of the city.

## **3. IMPORTANCE OF TOURISM**

### **National Context**

3.1 Recent research confirms tourism has recovered well since 2001 with some growth in both the value and volume of tourism until

2006, when there was a flattening out and slight decrease. International volume and value continues to show considerable growth, but maintaining volume and value from domestic tourism is proving more challenging. Tourism generates £4.16 billion for the Scottish economy and employs 200,000 people, which represents 9% of the total workforce.

- 3.2 The Scottish Government's ambition is to grow Scottish tourism by 50% by 2015 and my own view is that we are unlikely to achieve this due to growing international competition and under-investment in product development and marketing, compared to emerging markets, where the scale of investment in tourism is significantly outstripping Scotland.

### **Regional Context**

- 3.3 Holiday and conference tourism in the region is worth £451 million annually, of which, UK residents generate 88%. There are 2.4 million holiday and conference trips to the area and the total number of bed nights annually is 9.2 million. Day trip tourism is also important in the region and in particular to some of the more popular destinations such as Loch Lomond and Stirling.
- 3.4 Tourist numbers, bednights and the overall value of the industry in the region have enjoyed mixed fortunes since 2001, but like the national situation there has been some growth in overseas visitors, but not quite so marked. UK tourism in the peak summer months has declined and there has been some growth in short breaks in the shoulder months.

### **Stirling Area**

- 3.5 The STEAM report confirms that tourism is the major economic activity in the Stirling area generating £245.62 million of income in 2005. In contrast tourism in the Clackmannanshire area was worth £16.12 million in 2005 with more than half of this being generated in the Hillfoots area. A total of 4.26 million tourist days were spent

in the Stirling area and there were 397,260 tourist days spent in Clackmannanshire in 2005.

- 3.6 A useful snapshot of the profile of visitors to the Stirling area, the reasons for visit and views on services and facilities is available in the 2006 Stirling Visitor Survey (Document StBP/6/12), which was sponsored by Stirling Council. Sightseeing/visiting attractions (39%) were the main reasons for visiting Stirling, while 14% were visiting friends and relatives and 13% mentioned touring/stopover as the main reason for visiting Stirling. This reinforces the importance of the appeal of Stirling's outstanding heritage and unique environmental setting which is dominated by Stirling Castle, the National Wallace Monument, rocky crags and the backdrop of the Ochil Hills.
- 3.7 Visitors who participated in the in-depth interviews were asked questions on their perceptions of Stirling as a tourist destination and words used by them to describe Stirling included –, **historical, nice, small, scenic landscape, beautiful, clean, pretty, friendly and romantic**. These attributes are all major strengths of Stirling.

#### **4. IMPORTANCE OF SPECIFIC SITES AND FACILITIES**

- 4.1 The overall scale of tourism in the Stirling area is not surprising given the importance and appeal of iconic heritage attractions such as Stirling Castle, the National Wallace Monument and Bannockburn Heritage Centre, the popularity of the Stirling University Campus for conferences, meetings and holiday vacations, the supporting range of tourist accommodation, catering and retail outlets and the popularity of the Ochils for hillwalking.
- 4.2 I am not convinced from reading the Environmental Impact Statement that the applicants fully understand the dynamics of tourism and the wider economy in the Stirling area, or the importance of specific sites and facilities and their environmental

settings to the overall appeal of Stirling as a major tourist destination and an attractive inward investment location. I contend, as a result, there is a tendency to understate the potential cumulative tourism impacts of the proposed transmission line.

- 4.3 Comments on some of the more significant sites and facilities, the importance of the landscape setting to their appeal and the potential impacts of the transmission power line proposals are outlined in my fuller precognition.

## **5. QUANTITATIVE AND QUALITATIVE IMPACTS**

- 5.1 While the applicants have attempted to quantify the tourism economic impacts of the proposed transmission line in percentage terms, linked to a survey of businesses operating within 10 km of the line, disappointingly, no attempt is made to calculate this in monetary terms. This, in my opinion, is a major shortcoming.
- 5.2 An effort was also made by the applicants to audit a range of tourist and recreational facilities along the route and to assess landscape and visual impacts of the transmission line but, disappointingly, no quantitative assessment of effects upon the wider tourism and recreation activities and resources has been undertaken. This is very unfortunate as it would have been extremely useful if some quantitative and qualitative visitor survey work was undertaken at selected locations along the route.
- 5.3 An analysis of potential impacts on a topic-by-topic basis has been undertaken, but no attempt is made to draw these strands together to give a comprehensive overview of the qualitative and quantitative impacts of the proposals on the tourist industry, other aspects of the economy or indeed the local population's enjoyment of Stirling's outstanding environmental setting. In this respect I share some of the misgivings expressed by Professor Stephen Page in the Visit Scotland submission on some of the shortcomings of the Environmental Impact Statement.

### **Tourism Attitudes Surveys**

- 5.4 The VisitScotland 2005 Tourism Attitudes Survey (Document StBP/6/17) confirms the most important factors in determining the choice of Scotland as a holiday destination are scenery and natural environment, followed by the number of things to see and do and the attitude of local people. Interestingly, 92% name scenery as very important or important and 89% mention the natural environment as very important or important. When asked if any factors have become more important in recent years when choosing a holiday destination, scenery and the natural environment again featured very highly.
- 5.5 I am not convinced the overall importance and contribution of scenery and the natural environment to the tourist industry and the quality of the visitor experience are fully understood by the applicants. Factors such as landscape designations, as opposed to visitor appeal and popularity, are given more weighting and consequently, in my opinion, the full and true extent of the impact of the transmission line proposals on tourism in a number of locations, including the Stirling area, is understated.
- 5.6 In the Stirling area scenery and the environment, along with the heritage appeal of the City, are important drivers of tourism.

### **Economic Impact on Tourism**

- 5.7 In the applicant's Environmental Impact Statement and David Keddie's precognition for the Public Inquiry Strategy Session extensive coverage is given to the results of a survey of tourism-related businesses and the likely economic impacts of the proposed transmission line in the short, medium and longer term. I am content to base my comments on the potential economic impacts on tourism on the business survey findings and my knowledge of working in the tourist industry in the Stirling area for many years.

- 5.8 I do, however, have major concerns about David Keddie's interpretation of the business survey results and in particular the classification used to describe the scale of significance of economic impacts on individual tourism businesses and attractions; his conclusion that the impact will be 'negligible' despite concerns being expressed by almost half the businesses interviewed; the assertion that the duration of residual effects in the Stirling area are likely to be short term; and the suggestion that any downturns in business turnover as a result of the transmission line will be 'subsumed' within the fluctuations of the wider tourism economy, as opposed to compounding business trading prospects. I am also concerned that no attempt appears to have been made to ask businesses for views on the economic impact during the construction phase, which could be severe for some businesses.
- 5.9 In David Keddie's precognition for the strategy session he concludes the impact on tourism of the Beaulay – Denny transmission line will be 'negligible' and proceeds to put a positive 'spin' on the findings of his business survey despite the fact that 46% of the businesses participating considered there would a negative impact on their business turnover. I can think of no other development in recent years generating such a high and widespread negative response from the tourism business community.
- 5.10 In the Environmental Impact Assessment there is mention of a potential initial drop of 10–15% in tourism turnover while David Keddie's strategy session precognition refers to an impact in the region of 3.2% which, under cross examination at the strategy session, was subsequently raised to 4.3%. This demonstrates how difficult it is to make an accurate judgement on the likely economic impact of the transmission line on tourism in the Stirling area.
- 5.11 For the purposes of calculating the likely size of impact on the tourist industry in the Stirling area I have used a number of different percentage points on the 4% to 15% 'scale of impact' referred to by the applicants and David Keddie. I have applied

them to the STEAM Report findings which estimates the value of tourism in the Stirling area (including part of Clackmannanshire) was £255 million in 2005.

- 5.12 On the basis of these calculations it is evident the annual loss in tourism turnover in the Stirling area in the initial year after the completion of the transmission line could range from £25.5 million to a staggering £38.5 million. If the annual loss remained at the lower end of this estimate for a 5–10 year period after the initial year, this would equate to £66.3 million to £117.3 million. . If there is a residual impact over the 50 year lifetime of the transmission line of, say, 4% after the initial year then the cumulative loss of income would be even greater at £585.3 million.
- 5.13 On tourism economic impact grounds alone, without taking account of other important factors such as loss of amenity for visitors, Stirling area residents and students at Stirling University Campus and the impact on the attractiveness of the area for inward investment, there is a compelling case for pursuing the undergrounding option to the west of Stirling and rejecting the current overhead transmission line proposal.
- 5.14 The business survey revealed that almost half (46%) of all the operators contacted were of the opinion that the proposed transmission line would have an adverse effect on visitor numbers and business turnover. In the Braco to Denny corridor, the impact was considered to be considerably higher. In the Braco, Strathallan and Sheriffmuir area 57% of the tourism operators stated there would be a negative effect on their business while in the Blairlogie, Stirling and Denny areas this dropped to 48%. and this should be fully taken account of by the Inquiry Reporters.
- 5.15 Given the scale of concern expressed by tourism operators in the area it is surprising David Keddie is so dismissive of the survey findings and repeatedly plays down the likely level of financial

impacts and suggests that a number of operators are exaggerating the scale of impacts.

- 5.16 The pylons will be prominently sited in what is arguably is one of the best classic views in Scotland and in close proximity to a number of tourism businesses who cite the quality landscape setting as a key factor in their business success. I am of the opinion there will be a long term 'legacy' impact from this development, which could adversely affect the turnover levels and profitability of some businesses.

## 6. **CONCLUSIONS**

- 6.1 Tourism is a vitally important industry in the Stirling area and is currently worth around £250 million annually as a result of the efforts to establish the city as a leading European heritage destination combining the sensitive development and promotion of iconic heritage attractions with an outstanding and unique environmental setting in the heart of Scotland.
- 6.2 The significance of tourism, recreational, educational and economic activity at a number of locations in close proximity to the proposed transmission line and the importance of their high quality landscape settings to their continuing success has been demonstrated in my evidence. I believe the applicants underestimate the scale of impacts and also understate the importance of some sites and facilities and their environmental settings to the overall appeal of Stirling as a major tourist destination and attractive inward investment location.
- 6.3 Due weight should be given by the Reporters to the special qualities of Stirling's unique blend of heritage assets of national and international importance and outstanding environment which contributes so much to the appeal of the area as a popular tourist and day trip destination.

- 6.4 I have raised a number of concerns on the interpretation of the business survey results undertaken on the applicant's behalf by David Keddie and in particular have challenged his conclusion that the impact will be 'negligible' despite concerns being raised by almost half of the businesses interviewed.
- 6.5 I have used the 4% to 15% 'scale of impact' referred to by the applicants and David Keddie, along with the STEAM findings on the value of tourism to calculate the likely size of impact of the proposed transmission line. This reveals the annual loss in tourism turnover in the Stirling area could range from £10.2 million to a staggering £38.5 million. If the annual loss remained at the lower end of this estimate for a 5 – 10 year period this would equate to £66.3 million to £117.32 million. I have therefore concluded on tourism grounds alone there is a compelling case for rejecting the current overhead transmission line proposals.
- 6.6 I am strongly of the opinion that Scottish & Southern Energy should seize the opportunity to be a 'good neighbour' and make a practical contribution to improving Stirling's impressive skyline, by removing the existing power line and undergrounding the proposed new line along a route to the west of the City.